

1ST QUARTER 2023 RESULTS

- **Strong increase in net income**
- **Very solid financial structure**
- **2023 outlook confirmed**
- **Dividend of euros 2.40 per share proposed to the Shareholders' Meeting of May 4**

◆ Main elements of commercial activity

- ◆ **Total orders:** €269.9M incl. VAT
 - Of which Housing : €234.1M incl. VAT
 - O/w Commercial : €24.5M incl. VAT

- ◆ **Housing take-up period:** 6.9 months

◆ Key financial data

- **Revenue** : €586.5M
O/w housing : €229.3M
- **Gross profit** : €85.0M
- **EBIT margin^(a)** : 8.4%
- **EBIT** : €49.6M
- **Net income (group share)** : €31.6M
- **Net cash^(b)** : €121.6M
- **Financial capacity** : €542.7M

◆ Key growth indicators

- **Global backlog** : €2890.4M
O/w housing : €2189.2M
- **Real estate portfolio Housing** :
34,429 units

Kaufman & Broad SA today announced its results for the 1st quarter of Fiscal 2023 (from December 1 to 28 February 2023). Nordine Hachemi, Chairman and Chief Executive Officer of Kaufman & Broad, said:

'The 1st quarter results of 2023 are in line with our expectations.

The order levels in volume observed over the quarter reflect the marked wait and see attitude on the part of all market players, resulting from the rise in rates observed over the last fifteen months.

On the one hand, it reduces the purchasing power of individuals and the visibility of institutional investors on expected returns.

On the other hand, the gap between the permitted interest rate cap and the real cost of money leads banks to tighten debt ratio requirements, leading to a contraction in the volume of home loans.

In response to this situation, Kaufman & Broad significantly increased its block revenue during the quarter and continues to adjust the economic parameters of some of its projects to bring them into line with market purchasing capacities.

With a take-up period of 6.9 months, the pace of marketing, although slightly slowed down, remains significantly higher than the market average. The land reserve remains at high levels and the housing Backlog is more than 22 months of activity.

The financial results reflect the launch of Austerlitz's A7/A8 operation. This resulted in a significant increase in Kaufman & Broad's revenue and results.

The financial structure is very solid with a net cash position^(b) of 121.6 million euros at 28 February 2023.

As indicated last January, the fiscal year 2023 presents itself as a period of adjustment of the parameters of the housing market. Faced with supply constrained by the financial environment, structurally unmet demand continues to accumulate, powered in particular by demographic fundamentals and expectations arising from the energy transition.

In this context, Kaufman & Broad relies on its very strong balance sheet as well as the high level of its Backlog and land portfolio to get through the period of the coming months and, beyond that, take full advantage of the recovery in a healthy market.

The group confirmed its outlook for the full year 2023, announced at the end of January. Revenue is expected to be around 1.5 billion euros, the recurring operating income ratio is expected to be around 8% and the Group's net cash position to be positive."

(b) Expressed in percentages, corresponding to the operational income so far with operational costs to-date deducted from gross margin, divided by the turnover

(B) excluding IFRS 16 and Put Neoresid debt.

◆ Sales Activity

✓ Housing Division

In the 1st quarter of 2023, housing orders amounted to 234.1 million euros (including tax), down 15.8% from 278.0 million euros in 2022. In volume terms, they stood at 1,021 housing units in 2023 compared to 1,237 in 2022, a decrease of 17.5%.

The programme take-up period was 6.9 months in the 1st quarter of 2023, an increase of 2.4 months compared to the same period in 2022 (4.5 months).

The commercial offering, with 98% of homes located in tight areas (A, ABIS and B1), amounted to 2,360 homes at 28 February 2023 (1,873 units at the end of February 2022).

Customer Breakdown

Bookings in value (including tax) for first time buyers accounted for 8% of revenue, compared to 18% over the same period in 2022. First time buyers accounted for 5% of revenue, compared with 12% in 2022. Orders made to investors accounted for 11% of revenue (of which 5% for Pinel alone), compared with 36% compared to February 2022. Block revenue accounted for 75% of orders in value terms (including Vat), compared with 34% over the same period in 2022.

✓ Commercial Property

At the end of 28 February 2023, the commercial division recorded net orders of 24.5 million euros (including Vat). No orders were recorded during the same period in 2022.

Kaufman & Broad currently has about 105,800 sq.m of office space and approximately 154,160 sq.m of logistics space on the market or under consideration. In addition, 136,400 sq.m. of office space is currently being built or started in the coming months, along with nearly 28,600 sq.m. of logistics space. Lastly, 20,400 sq.m. of office space remains to be signed.

✓ Leading indicators of business activity and growth

At the end of 28 February 2023, Housing Backlog stood at 2189.2 million euros (excl. VAT) compared to 2278.7 million euros (excl. VAT) for the same period in 2022, *i.e.*, 22.9 months of activity compared to 24.9 months of activity at the end of February 2022. In the 1st quarter of 2023, Kaufman & Broad had 143 housing programmes in the process of being marketed, representing 2,360 housing units (145 programmes and 1,873 housing units at the end of February 2022).

The real estate portfolio represents 34,429 units and is up 1.2% compared to the end of November 2022 (34,009 units). At the end of February 2023, it corresponded to over 6 years of commercial activity.

In addition, 88% of the housing units in the land portfolio are located in tight areas, representing 30,351 housing units as of 28 February 2023.

During the 2nd quarter of 2023, the group plans to launch 27 new programs, including 7 in the Paris areas region representing 318 units and 20 in the Other Regions representing 1,421 units.

At the end of February 2023, the Backlog for the Commercial property division was 691.7 million euros excluding VAT compared to 1095.4 million euros excluding VAT for the same period in 2022.

◆ Financial results

✓ Activity

Total Revenue amounted to 586.5 million euros (excl. VAT), compared to 279.0 million euros for the same period in 2022.

Housing activity revenue amounted to 229.3 million euros (excl. VAT), compared to 235.2 million euros (excl. VAT) in 2022. It represents 39.1% of the group's revenue.

Revenue for the Apartments business was 213.6 million euros (excl. VAT) (vs. 229.3 million euros (excl. VAT) at end February 2022). Revenue for the Commercial property division was 353.9 million euros (excl. VAT), compared with 41.3 million euros (excl. VAT) for the same period in 2022. Other activities generated revenues of 3.4 million euros (excl. VAT) (including 1.9 million euros in revenues related to the operation of managed student residences) compared to 2.5 million euros in 2022.

✓ Profitability data

At 28 February 2023, gross profit amounted to 85.0 million euros, compared to 48.3 million euros over the same period in 2022. The gross margin was 14.5% compared to 17.3% in 2022.

Current operating expenses amounted to 35.4 million euros (6.0% of revenue), compared to 27.3 million euros in the same period in 2022 (9.8% of revenue). Recurring operating income amounted to 49.6 million euros, compared to 21.0 million euros in 2022. Recurring operating income stood at 8.4% compared to 7.5% in 2022.

At the end of February 2023, consolidated net income amounted to 34.7 million euros, compared with 15.7 million euros in 2022. Non-controlling interests amounted to 3.1 million euros in the 1st quarter of 2023, compared with 3.9 million euros in 2022.

Net income attributable was 31.6 million euros, compared with 11.8 million euros in 2022.

✓ Financial structure and liquidity

Net cash (excluding IFRS 16 debt and Neoresid put debt) amounted to 121.6 million euros at February 28, 2023, compared with net financial debt of 67.8 million euros at the end of November 2022. Cash and cash equivalents amounted to 292.7 million euros at February 28, 2023, compared with 101.0 million euros at November 30, 2022. Financial capacity amounted to 542.7 million euros at February 28, 2023, compared with 351.0 million euros at the end of November 2022.

Working capital requirements amounted to 50.6 million euros at February 28, 2023, or 3.1% of revenue, compared to 229.4 million euros at the end of February 2022 (either 18.0% of revenue).

◆ Dividend

At the Shareholders' Meeting of 4 May 2023, the Board of Directors of Kaufman & Broad SA will propose the payment of a dividend of €2.40 per share.

◆ Outlook for 2023

The group confirmed its outlook for the full year 2023, announced at the end of January. Revenue is expected to be around 1.5 billion euros, the recurring operating income ratio is expected to be around 8% and the Group's net cash position to be positive.

◆ **Next periodic information date:**

- ✓ Thursday, 12 July 2023: Publication of 2023 half year results (after trading)

Contacts

Chief Financial Officer

Bruno Coche -01 41 43 44 73/infos-invest@ketb.com

Press relations

PRIMATICE: Thomas de Climens -06 78 12 97 95/thomasdeclimens@primatice.fr

Kaufman & Broad: Emmeline CACITTI -06 72 42 66 24/ecacitti@ketb.com

About KAUFMAN & BROAD

For more than 50 years, KAUFMAN & BROAD has been designing, developing, building and selling apartments, single-family homes in communities, managed housing, retail areas, business spaces and offices buildings.

As a designer and a true urban builder alongside regional authorities to develop new neighbourhoods and major urban projects KAUFMAN & BROAD is one of the first French Developers-Builders by the combination of its size, profitability and the strength of its brand.

Let us create a more virtuous city together.

For more information : www.kaufmanbroad.fr

Kaufman & Broad's Universal Registration Document was filed on March 31, 2023 with the Autorité des marchés financiers (the "AMF") under number D.23-0210. It is available on the websites of the AMF (www.amf-france.org) and Kaufman & Broad (www.kaufmanbroad.fr). It contains a detailed description of Kaufman & Broad's business, results and outlook as well as the associated risk factors. In particular, Kaufman & Broad draws attention to the risk factors described in Chapter 4 of the Universal Registration Document. The occurrence of one or more of these risks may have a material adverse effect on the business, assets, financial condition, results or prospects of the Kaufman & Broad Group, as well as on the market price of Kaufman & Broad shares.

This press release does not constitute, and shall not be deemed to constitute, an offer to the public, an offer to sell or an offer to subscribe or a solicitation of an order to buy or subscribe in any jurisdiction.

GLOSSARY

Backlog or (backlog) : for sales in the future state of completion (VEFA), it covers the undelivered reserved housing units for which the notarized bill of sale has not yet been signed and the undelivered reserved housing units for which the notarized bill of sale has been signed up to the portion not yet taken into revenue (on a 30% advanced program, 30% of the sales of a housing unit for which the notarized bill of sale has been signed is recorded in revenue, 70% are included in the backlog). The backlog is a summary at a given time that makes it possible to estimate the revenue remaining to be recognised in the coming months and thus reinforce the Group's forecasts - it being specified that there is an uncertain proportion of transformation of the backlog into revenue, particularly for orders not yet recorded.

BEFA: the building under completion consists of renting a building before it is built or restructured.

Working Capital Requirement (WCR): This arises from cash flow mismatches: disbursements and receipts corresponding to operating expenses and revenues required for the design, production and marketing of real estate programs. The resulting simplified expression for WCR is as follows: these are current assets (inventory + trade receivables + other operating receivables + advances received + prepaid income) less current liabilities (trade payables + tax and social security payables + other operating liabilities + prepaid expenses). The size of the WCR will depend in particular on the length of the operating cycle, the size and duration of storage of work-in-progress, the number of projects launched and the payment terms granted by suppliers or the profile of payment schedules granted to customers.

Free cash flow: free cash flow is equal to cash flow less net operating investments for the year.

Cash flow from operations: cash flow from operations after finance costs and taxes is equal to consolidated net income adjusted for the share in net income of associates, joint ventures and income from discontinued operations and calculated income and expenses.

Available for sale financial assets corresponds to cash and cash equivalents plus undrawn credit facilities

CDP : (formerly the Carbon Disclosure Project): Measuring the environmental impact of companies.

Dividend The dividend is the portion of the Company's net income distributed to shareholders. Its amount, proposed by the Board of Directors, is submitted to the shareholders for approval at the General Meeting. It is payable within a maximum of 9 months after the end of the financial year.

EBIT: The EBIT corresponds to the operating income for the period, calculated at the gross margin deducted by operating costs for the current period.

Gross financial debt or financial debt: gross financial debt consists of long term and short term financial liabilities, hedging financial instruments relating to liabilities constituting gross financial debt and accrued interest on the balance sheet items constituting gross financial debt.

Net debt or net financial debt: the net debt or net financial debt of a company is the balance of its gross financial debt (or gross financial debt), on the one hand, and available financial investments forming its 'Active cash' on the other hand. It represents the credit or debit position of the company vis-à-vis third parties and outside the operating cycle.

Investment grade : investment grade means that a financial instrument or a company has a relatively low risk of default.

LEU (Equivalent Units delivered) is a direct reflection of business activity. The number of 'LEU' is equal to the product (I) the number of housing units in a given programme for which the notarial deed of sale has been signed and (II) the ratio between the amount of land and construction expenditure incurred by the group on the said program and the total budget of the expenditures of the said program.

Gross margin : corresponds to sales less cost of sales. The cost of sales includes the price of land, related land costs and construction costs.

Commercial offer : it is represented by the sum of the stock of available for sale dwellings on the date in question, i.e. all dwellings not reserved at that date (net of unopened commercial tranches).

Property portfolio: It includes land to be developed (otherwise known as the "land portfolio"), i.e. land for which a deed or a promise to sell has been signed, as well as land under study, i.e. land for which a deed or a promise to sell has not yet been signed..

Gearing ratio: this is the ratio of net debt to consolidated shareholders' equity. It measures the risk of the company's financial structure.

Orders : measured in units or units and in value, they reflect the Group's business activity. Their inclusion in revenues is conditional on the time required to transform an order into a notarized deed of sale, which generates the income statement. In addition, in multi-family housing programs including mixed-use buildings (apartments, business premises, shops, offices), all surfaces are converted into housing equivalents.

Orders (in value) : they represent the value of real estate assets resulting from order contracts signed, including all taxes for a given period. They are mentioned net of the withdrawals noted during the said period.

Managed residences : managed residences, or service residences, are real estate complexes consisting of housing (houses or apartments) for residential use offering a minimum of services such as reception, supply of linen, cleaning and maintenance of housing as well as the provision of breakfast. There are several types of residences: student residences are apartment complexes, mostly studios equipped with a kitchenette and furnished, located near schools and universities and close to public transportation; Tourist residences, located in tourist areas with high potential, offer in addition to the usual services such as swimming pools, sports grounds, sometimes saunas, hammams, whirlpools, children's club; business residences are an alternative to traditional hotels, composed of studios (about 80%) and 2-room apartments, located in the city center or near major business centers and systematically well served; finally, senior residences (also including residences for dependent or non-dependent elderly people - EHPAD), which make it possible to anticipate the aging of the population, accommodate people aged 55 and over; their clientele is mixed: renters and owners.

CSR (Corporate Social Responsibility): corporate Social Responsibility (CSR) is the contribution of companies to the challenges of Sustainable Development. The approach consists of companies taking into account the social and environmental impacts of their activity in order to adopt the best possible practices and thus contribute to the improvement of society and the protection of the environment. CSR makes it possible to combine economic logic, social responsibility and eco-responsibility (definition of the Ministry of Ecology, Sustainable Development and Energy).

Sell-Through rate: The Sell-Through rate (Rst) represents the percentage of initial inventory that sells monthly on a real estate program (sales/month divided by initial inventory); i.e., monthly net orders divided by the ratio of beginning-of-period inventory plus end-of-period inventory divided by two.

EBIT rate: expressed as a percentage, it corresponds to current operating income cad at the gross margin less current operating expenses divided by revenue

Cash and cash equivalents Cash and cash equivalents on the assets side of the balance sheet include all available cash and cash equivalents, marketable securities (short term investments and term deposits) and deposit balances.

Net cash: It corresponds to 'negative' net debt, or 'negative' net financial debt, as for the company the balance of cash and financial investments forming its 'active cash' is greater than the amount of its gross financial debts (or gross financial debt).

Units : units or Units are used to determine the number of housing units or equivalent units (for mixed programmes) in a given programme. The number of housing equivalent units is determined by relating the surface area by type (business premises, shops, offices) to the average surface area of the housing units previously obtained.

Off balance sheet sales are contracts under which the seller immediately transfers to the buyer its land rights and ownership of the existing buildings. The future works become the property of the purchaser as they are executed; the purchaser is obliged to pay the price as the works progress. The seller retains the powers of the project owner until the work is accepted.

APPENDICES

◆ Financial Data

Primary consolidated data*

In millions of euros

	Q1 2023	T1 2022
Revenue	586,5	279,0
· of which Housing	229,3	235,2
· of which Commercial Property	353,9	41,3
· Other***	3,4	2,5
Gross profit	85,0	48,3
Gross margin rate (%)	14,5%	17,3%
Recurring Operating Income (or EBIT)*	49,6	21,0
Operating Margin – EBIT (%)	8,4%	7,5%
Attributable net income (group part)	31,6	11,8
Attributable net income per share (€/share)**	€1,50	€0,55

* The EBIT corresponds to the operating income for the period, calculated at the gross margin deducted by operating costs (OCR) for the current period.

** Based on the number of shares comprising the share capital of Kaufman & Broad S.A, i.e. 21,313,023 shares as of 28 February 2022 and 21,113,022 shares as of 28 February 2023.

*** including 1.9 million euros in revenues from the operation of student residences).

Consolidated income statement*

In thousands of euros

	Q1 2023	T1 2022
Revenue	586,534	279,013
cost of sales	-501,541	-230,723
Gross profit	84,994	48,290
Selling expenses	-6,313	-4,701
Administrative expenses	-14,852	-16,222
Technical charges and after sales services	-5,415	-5,830
Development and program expenses	-8,859	-555
Current Operational Income (COI)	49,554	20,983
Other non-recurring income and expenses	-	-
Operating profit	49,554	20,983
Net Cost of Financial Debt	-3,022	-2,844
Other Financial Expenses and Income	-	-
Income tax	-12,141	-3,775
Share of income (loss) of equity affiliates and joint ventures	269	1,338
INCOME (LOSS) OF THE CONSOLIDATED GROUP	34,660	15,701
Non-controlling interests	3,079	3,885
Attributable net income	31,582	11,816

* Unaudited and not approved by the Board of Directors

Consolidated balance Sheet

In thousands of euros

	Feb. 28, 2023 *	Nov. 30, 2022
ASSET		
Goodwill	68,661	68,661
Intangible assets	92,026	91,899
Property, plant and equipment	10,820	11,070
Right of use assets	39,208	40,196
Investment property	19,876	19,876
Equity affiliates and joint ventures	15,540	14,310
Other non-current financial assets	7,540	7,549
Deferred tax assets	4,281	4,281
Non current assets	257,951	257,841
Inventories	442,124	447,134
Accounts receivable	495,856	511,535
Other receivables	189,138	192,585
Cash flow and cash equivalents	292,725	100,998
Prepaid expenses	1,475	972
Current assets	1,421,318	1,253,223
total Asset	1,679,269	1,511,063

	Feb. 28, 2023 *	Nov. 30, 2022
LIABILITY		
Share capital	5,488	5,618
Bonuses, Reserves, and Other	236,444	187,041
Attributable net income	31,582	49,008
Attributable shareholder's equity	273,514	241,667
Non-controlling interests	15,648	14,682
Shareholders' equity	289,162	256,350
Non-current provisions	32,237	31,365
Non-current financial debt	167,770	166,567
Long-term financial lease liabilities	35,943	36,254
Deferred tax liability	62,496	45,364
Non-current liability	298,447	279,549
Current provisions	554	1,477
Other current financial liabilities	6,957	5,825
Short-term financial lease liabilities	6,116	5,647
Accounts payable	965,994	842,063
Other liabilities	110,971	118,972
Prepaid income	1,069	1,180
Current liability	1,091,660	975,164
TOTAL LIABILITIES	1,679,269	1,511,063

* Unaudited and not approved by the Board of Directors

